

MEETING MINUTES  
BOARD OF WATER SUPPLY  
Thursday, January 28, 2016

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Lihu'e on Thursday, January 28, 2016. Chair Laurie Ho called the meeting to order at 10:01 a.m. The following Board members were present:

BOARD: Ms. Laurie Ho, *Chair*  
Mr. Clyde Nakaya, *Vice Chair*  
Mr. Sherman Shiraishi  
Mr. Wally Rezentes, Jr.  
Mr. Michael Dahilig (*entered meeting @ 10:04 a.m.*)

EXCUSED: Mr. Larry Dill

Quorum was achieved with 4 members present at the time of roll call.

STAFF: Mr. Kirk Saiki  
Ms. Marites Yano  
Mr. Dustin Moises  
Mr. Keith Aoki  
Ms. Kim Tamaoka  
Ms. Sandi Nadatani-Mendez  
Mr. Eddie Doi  
Mr. Val Reyna  
Mr. Carl Arume  
Ms. Christine Erorita  
Mr. Joel Bautista  
Ms. MJ Akuna  
Deputy County Attorney, Andrea Suzuki

GUEST: Mr. Eddie Topenio, Council Services

**ACCEPTANCE OF AGENDA**

Mr. Shiraishi moved to approved the agenda as circulated; seconded by Mr. Nakaya; with no objections, motion carried with 4 ayes.

**D. MEETING MINUTES**

**Review and approval of:**

Regular Board Meeting – December 17, 2015

Mr. Shiraishi moved to approve the Regular Board Meeting minutes of December 17, 2015; seconded by Mr. Rezentes; with no objections; motion carried with 4 ayes.

**Review and approval of Executive Session:**

Executive Session – December 17, 2015

Mr. Shiraishi moved to approve the Executive Session minutes of December 17, 2015; seconded by Mr. Rezentes; with no objections; motion carried with 4 ayes.

**Review and Receipt of Meeting Minutes from Transcripts:**

Regular Board Meeting – February 23, 2012

Mr. Shiraishi moved to receive the Regular Board Meeting minutes of February 23, 2012; seconded by Mr. Nakaya; with no objections; motion carried with 4 ayes.

Regular Board Meeting – March 22, 2012

Mr. Shiraishi moved to receive the Regular Board Meeting minutes of March 22, 2012; seconded by Mr. Nakaya; with no objections; motion carried with 4 ayes.

*At 10:04 a.m., Mr. Dahilig entered the meeting.*

*At 10:05 a.m., Chair Ho called for a short recess for Mr. Shiraishi and Mr. Rezentes to be sworn in for their second term as Board members; a photo op followed.*

*At 10:08 a.m., Chair Ho reconvened the Board meeting.*

**E. CORRESPONDENCE/ANNOUNCEMENTS**

1. Correspondence from KMH, LLP regarding the Department of Water's (DOW) Financial Statements as of June 30, 2015 and 2014 together with the Independent Auditor's Report

Mr. Nakaya moved to receive the Correspondence from KMH, LLP regarding the Department of Water's (DOW) Financial Statements as of June 30, 2015 and 2014 together with the Independent Auditor's Report; seconded by Mr. Shiraishi; with no objections, motion carried with 5 ayes.

**F. BOARD COMMITTEE REPORTS**

None.

**G. OLD BUSINESS**

None.

**H. NEW BUSINESS**

1. Manager's Report No. 16-27 – Discussion and Possible Action on the Funding Replacement of the Front Office Air Conditioning in the amount of \$78,750.00

**BACKGROUND:**

Manager Saiki recommended Board approval of Option 1 to fund appropriation for the front office air conditioning replacement.

Option 1 - Replace existing condensing units to provide adequate ventilation and air-conditioning as well as conducive working environment for employees and customers. This option can be accomplished with the least amount of time and is highly recommended.

**DISCUSSION:**

Construction Project Management Officer, Mr. Moises confirmed that the air conditioning replacement would be done in 2016 mid-year.

Mr. Dahilig moved to approve Manager's Report No. 16-27 – Discussion and Possible Action on the Funding Replacement of the Front Office Air Conditioning in the amount of \$78,750.00; seconded by Mr. Nakaya; with no objections, motion carried with 5 ayes.

2. Manager's Report No. 16-28 - Discussion and Possible Action on Grant of Easement for Water Meter Plan for Lot 75, Affecting the Following Landowner, TMK: 1-6-002:009 (por), Kekaha, Kaua'i, Hawaii
  - a. Thelma M. K. Aana Revocable Trust

Mr. Dahilig moved to approve Manager's Report No. 16-28 - Discussion and Possible Action on Grant of Easement for Water Meter Plan for Lot 75, Affecting the Following Landowner, TMK: 1-6-002:009 (por), Kekaha, Kaua'i, Hawai'i, a) Thelma M. K. Aana Revocable Trust; seconded by Mr. Shiraishi, with no objections, motion carried with 5 ayes.

3. Manager's Report No. 16-29 – Manager's Response to Mr. Gregg Enright, General Manager, Waimea Plantation Cottages, LLC., Kikiaola Land Company, located on 9400 Kaumuali'i Highway, Waimea, Kaua'i, Hawai'i for Account No. 9958604333 regarding Adjustment of Bills for Undetected Leaks and Unforeseen Damages

**BACKGROUND:**

Manager Saiki commented that the Department denied Mr. Enright's request for additional adjustment of the Waimea Plantation Cottage's water bill, after reviewing the water bill again. On January 12<sup>th</sup>, Manager Saiki left a message on Mr. Enright's phone of the denial. On January 25<sup>th</sup>, Manager Saiki also spoke to Ms. Lori Nielsen-Lemn, Assistant General Manager who understood the denial and considered the request closed.

Mr. Dahilig moved to receive Manager's Report No. 16-29 – Manager's Response to Mr. Gregg Enright, General Manager, Waimea Plantation Cottages, LLC., Kikiaola Land Company, located on 9400 Kaumuali'i Highway, Waimea, Kaua'i, Hawai'i for Account No. 9958604333 regarding Adjustment of Bills for Undetected Leaks and Unforeseen Damages. If Mr. Enright chooses to appeal the Department's decision, he can do so in writing; seconded by Mr. Rezentes; with no objections, motion carried with 5 ayes.

4. Manager's Report No. 16-30 – Discussion and Possible Action to approve Amendment No. 4 to Contract No. 440 in the amount of \$53,424.00 for Job No. 02-06 WP2020 #WKK-15, Kilauea 1.0 Million Gallon Storage Tank and Connecting Pipeline, Kilauea, Kaua'i, Hawai'i

Mr. Dahilig moved to approve Manager's Report No. 16-30 – Discussion and Possible Action to approve Amendment No. 4 to Contract No. 440 in the amount of \$53,424.00 for Job No. 02-06 WP2020 #WKK-15, Kilauea 1.0 Million Gallon Storage Tank and Connecting Pipeline, Kilauea, Kaua'i, Hawai'i; seconded by Mr. Nakaya; with no objections, motion carried with 5 ayes.

5. Manager's Report No. 16-31 – Discussion and Possible Action on Revised Table of Organization for the Operations Division affecting FY2016-2017 Proposed Budget in the amount of \$82,764.00

Manager Saiki said the Department will defer Manager's Report No. 16-31 for further review.

Mr. Dahilig moved to defer Manager's Report No. 16-31 – Discussion and Possible Action on Revised Table of Organization for the Operations Division affecting FY2016-2017 Proposed Budget in the amount of \$82,764.00; seconded by Mr. Rezentes; with no objections, motion carried with 5 ayes.

6. Manager's Report No. 16-32 - Discussion and Possible Action on Revised Table of Organization for the Water Resources and Planning Division affecting FY2015-2016 Budget in the amount of \$85,135.00

It was noted by the Commission Support Clerk that the correct budget amount should be "\$103,156" on Page 1 of the Manager's Report which was circulated for the record. Also, "Proposed" was deleted on the Page 1 of the Manager's Report subject line. The Fringe Benefit costs was the only change.

**DISCUSSION:**

Mr. Shiraishi asked if the Water Resources and Planning was just shuffling people around?

Chief of Water Resources and Planning, Mr. Doi explained the intent was to reallocate the CE I position to a CE III position, which is vacant. The reallocation of the CE I to CE II is an existing position held and does more work of a CE II position, which is a normal progression with more experience.

Mr. Dahilig moved to approve changes as circulated to *Manager's Report No. 16-32* - Discussion and Possible Action on Revised Table of Organization for the Water Resources and Planning Division affecting FY2015-2016 Budget in the amount of \$85,135.00 "\$103,156"; seconded by Mr. Rezentes; with no objections, motion carried with 5 ayes.

**I. STAFF REPORTS**

**MONTHLY**

1. Discussion and Receipt of the Kaua'i County Water Department's Statement of Revenues and Expenditures
  - a. December Monthly Summary Budget

Mr. Shiraishi moved to receive the Kaua'i County Water Department's Statement of Revenues and Expenditures, a) December Monthly Summary Budget; seconded by Mr. Dahilig; with no objections, motion carried with 5 ayes.

2. Discussion and Receipt of the Report by the Public Relations Specialist on Public Relations Activities

Mr. Nakaya moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Shiraishi; with no objections, motion carried with 5 ayes.

3. Discussion and Receipt of the Chief of Operation's Summary Report on Operational Activities

**BACKGROUND:**

Chief of Operations, Mr. Reyna went over the Billed and Unbilled graph which will be renamed "Consumption and Production." In November, the graph indicated the Department billed more than what was produced. Mentioned at the last Board meeting, was an inversion which explained the gap of the retail cost and actual production date. The data read in November/October and November/December was not actual on what was produced. The December graph now shows the updated data corrections.

For 2015, the Department's Unbilled is 14.53% referred on the last column for annual percentages. Mr. Rezentes asked if the calculation of 14.53% could be done in dollars? Mr. Reyna replied yes and a form is used for the audit that shows two (2) types of expenditures per losses in dollars.

Mr. Reyna agreed to continue tracking and to provide information on the retail cost and actual production costs on future Operation's reports.

Mr. Dahilig moved to receive the Chief of Operation's Summary Report on Operational Activities; seconded by Mr. Shiraishi; with no objections, motion carried with 5 ayes.

4. Discussion and Receipt of the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW

**BACKGROUND:**

Manager Saiki highlighted the following:

1. Personnel Matters (Updates): Completed interviews for Deputy Manager.
2. FY 2016-17 Budget for The Nature Conservancy – DOW plans to continue funding \$150,000 for the Kaua'i Watershed Alliance. The Department will consider increasing the funding in the next budget for at least three (3) years, if approved by the Board. A possibility, in new budget, is to fund the Rainfall Evaporation Study with University of Hawai'i for Kaua'i.
3. Legislature – Manager Saiki and Mr. Doi attended the opening day of the legislature on January 20th. Three (3) bills will be introduced on DOW's Capital Improvement Projects (CIP).

Mr. Nakaya moved to receive the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW; seconded by Mr. Rezentos; with no objections, motion carried with 5 ayes.

**QUARTERLY** (October – December 2015)

1. Discussion and Receipt of the DOW's Quarterly Project Status Update
  - a. Construction Management Division Status

Mr. Dahilig moved to receive the Construction Management Division Quarterly Project Status; seconded by Mr. Shiraishi; with no objections, motion carried with 5 ayes.

Mr. Dahilig moved to amend his motion to receive Quarterly Reports for Items Nos. 1a, b, & c.; seconded by Mr. Shiraishi; with no objections, motion carried with 5 ayes.

- b. Engineering Division Design Status

Mr. Shiraishi thanked Mr. Aoki who added a column on the Facilities Reserve Charge generating projects, in his Quarterly Report, as a response to the Board's request.

Mr. Dahilig moved to receive the Engineering Division Design Quarterly Project Status; seconded by Mr. Shiraishi; with no objections, motion carried with 5 ayes.

- c. Water Resources & Planning Division Status

Mr. Dahilig moved to receive the Water Resources & Planning Division Quarterly Project Status; seconded by Mr. Shiraishi; with no objections, motion carried with 5 ayes.

**J. EXECUTIVE SESSION**

*Pursuant to H.R.S. §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).*

**K. TOPICS FOR NEXT WATER BOARD MEETING** (March 2016)

1. Employee of the Year Resolution

**L. TOPICS FOR FUTURE WATER BOARD MEETINGS**

1. Manager's Report No. 16-25 - Discussion and Possible Action on Board Policy No. 30 - Proposed Delegation of a Meter Restriction (March 2016)

2. Discussion and Possible Action relating to Providing Water Service Outside of the Water Zone *(March 2016)*
3. Draft Budget for Fiscal Year 2016-2017 *(March 2016)*
  - a. Fiscal Year 2016 - 2017 – Draft Operating Budget
  - b. Fiscal Year 2016 - 2017 – Draft Capital Outlay Budget
4. Quarterly Report on Manager's Goals *(March 2016)*

**M. UPCOMING EVENTS**

1. AWWA/Hawai'i Section Hawai'i Water Environment Association  
2016 Pacific Water Conference, Honolulu, HI *(February 2-6, 2016)* – 3 DOW staff will attend.
2. AWWA, Chicago, IL *(June 9-12 2016)*
3. HWWA, Hawai'i Section, Maui, HI *(November 2-4, 2016)*

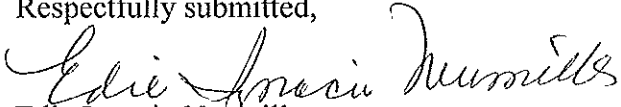
**N. NEXT WATER BOARD MEETING**

1. Thursday, February 25, 2016, 10:00 a.m.
2. Thursday, March 31, 2016, 10:00 a.m.
3. Thursday, April 28, 2016, 10:00 a.m.
4. Thursday, May 26, 2016, 10:00 a.m.

**O. ADJOURNMENT**

Mr. Shiraishi moved to adjourn the Regular Board Meeting at 10:35 a.m., seconded by Mr. Rezentes; with no objections, motion carried with 5 ayes.

Respectfully submitted,

  
Edie Ignacio Neumiller  
Commission Support Clerk

Approved,

  
Sherman Shiraishi  
Secretary – Board of Water Supply